



**TARIFF FOR GAS SERVICE
IN THE
SOUTH REGION
DISTRIBUTION SYSTEM**

TXU GAS DISTRIBUTION

EXHIBIT A TO ORDINANCE NO. _____

RATE SCHEDULE:	Index of Rates & List of Cities	No. 4300
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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RATES:

4300	Index of Rates & List of South Region Distribution System Cities
4301	Residential Service
4302	Commercial Service
4311 - 4313	Industrial Sales
4314	Industrial Transportation
4321	Industrial Sales and Transportation

RATE ADJUSTMENT PROVISIONS:

4308-1	Gas Cost Adjustment
4308-2	Tax Adjustment
4308-3	Weather Normalization Adjustment
4308-4	Surcharges

MISCELLANEOUS SERVICE CHARGES:

9001	Connection Charge
9002	Read for Change Charge
9003	Returned Check Charges
9004	Delinquent Notification Charge
9005	Main Line Extension Rate
9006	Excess Flow Valve Charge
9007	Certain Stand-by Gas Generators

RATE SCHEDULE:	Index of Rates & List of Cities	No. 4300
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LIST OF SOUTH REGION DISTRIBUTION SYSTEM CITIES:

Abbott	Hewitt	Penelope
Austin	Holland	Pflugerville
Bartlett	Hubbard	Riesel
Bellmead	Hutto	Robinson
Belton	Jewett	Rockdale
Beverly Hills	Kosse	Rogers
Bremond	Lacy-Lakeview	Rosebud
Bruceville-Eddy	Leander	Ross
Buckholts	Leona	Round Rock
Buffalo	Lexington	South Mountain
Caldwell	Little-River Academy	Streetman
Calvert	Lorena	Taylor
Cameron	Lott	Teague
Cedar Park	Madisonville	Tehuacana
Centerville	Malone	Thorndale
Clifton	Manor	Thornton
College Station	Marlin	Thrall
Coolidge	Mart	Troy
Crawford	McGregor	Valley Mills
Fairfield	Mexia	Waco
Franklin	Midway	West
Georgetown	Moody	Woodway
Granger	Nolanville	Wortham
Groesbeck	Normangee	
Harker Heights	Oakwood	
Hearne	Oglesby	

RATE SCHEDULE:	Residential Service	No. 4301
APPLICABLE TO:	South Region Distribution System	REVISION: 0
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RESIDENTIAL SERVICE**Monthly Rate:**

Subject to applicable adjustments, the following rates are the maximum applicable to residential consumers per meter per month or for any part of a month for which gas service is available at the same location.

Customer Charge (Minimum Bill)	\$	7.0000
All Consumption	@	1.7840 Per Mcf

If the service period is less than 28 days in a month the customer charge is \$.2500 times the number of days service. If the consumption contains a portion of an Mcf, a prorata portion of the per Mcf charge will be made.

Bills are due and payable when rendered and must be paid within fifteen days from monthly billing date.

OTHER APPLICABLE RATE SCHEDULES**Rate Adjustment Provisions:**

4308-1 Gas Cost Adjustment
 4308-2 Tax Adjustment
 4308-3 Weather Normalization Adjustment
 4308-4 Surcharges

Miscellaneous/Service Charges:

9001 Connection Charge
 9002 Read for Change Charge
 9003 Returned Check Charges
 9004 Delinquent Notification Charge
 9005 Main Line Extension Rate
 9006 Excess Flow Valve Charge

RATE SCHEDULE:	Commercial Service	No. 4302
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COMMERCIAL SERVICE**Monthly Rate:**

Customer Charge (Minimum Bill)	\$	12.0000
First 20 Mcf	@	1.7913 Per Mcf
Next 30 Mcf	@	1.4913 Per Mcf
Over 50 Mcf	@	1.3413 Per Mcf

If the service period is less than 28 days in a month the customer charge is \$.4286 times the number of days service. If the consumption contains a portion of an Mcf, a prorata portion of the per Mcf charge will be made.

Bills are due and payable when rendered and must be paid within fifteen days from monthly billing date.

OTHER APPLICABLE RATE SCHEDULES**Rate Adjustment Provisions:**

- 4308-1 Gas Cost Adjustment
- 4308-2 Tax Adjustment
- 4308-3 Weather Normalization Adjustment
- 4308-4 Surcharges

Miscellaneous/Service Charges:

- 9001 Connection Charge
- 9002 Read for Change Charge
- 9003 Returned Check Charges
- 9004 Delinquent Notification Charge
- 9005 Main Line Extension Rate
- 9006 Excess Flow Valve Charge
- 9007 Certain Stand-By Gas Generators

RATE SCHEDULE:	Industrial Sales	Nos. 4311 thru 4313
APPLICABLE TO:	South Region Distribution System	REVISION: 0
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INDUSTRIAL SALES**Monthly Rates:**

Industrial Rates-N is hereby amended and revised as follows:

Subject to Company's limitations on the availability of each rate, Customer shall receive service under its choice of one of the following rates in accordance with the rate selected by Customer as provided in the contract:

RATE 4311		
First	125 Mcf or less	\$ 235.63
All over	125 Mcf @	\$ 1.84 per Mcf
RATE 4312		
First	600 Mcf or less	\$ 1,053.94
All over	600 Mcf @	\$ 1.694 per Mcf
RATE 4313		
First	1,250 Mcf or less	\$ 2,035.23
All over	1,250 Mcf @	\$ 1.634 per Mcf

In all other respects, Industrial Rates-N shall remain in effect as filed with the Cities in the South Region Distribution System. 100% of the increase in industrial margin is to accrue to the benefit of TXU Gas Distribution.

Industrial Rate N is closed to new customers as of the effective date of this tariff. Current customers taking service pursuant to this tariff will no longer be eligible for this service upon contract termination. Current customers may convert their existing contract to new Rate Schedule No. 4321. When the final contract subject to Industrial Rate N expires or is terminated, Industrial Rate N schedule will be cancelled.

APPLICABLE RATE SCHEDULES:**Rate Adjustment Provisions:**

4308-2 Tax Adjustment
4308-4 Surcharges

RATE SCHEDULE:	Industrial Transportation	No. 4314
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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INDUSTRIAL TRANSPORTATION**Monthly Rates:**

The maximum fee for industrial transportation service on the South Region Distribution System is \$0.812 per MMBTU delivered plus applicable taxes exclusive of the backup fee.

The above transportation fees include both the fees incurred to move the gas from the receipt point on the transmission system to the city gate and the fee incurred to move the gas from the city gate to the customer's facility.

If the fees for transportation service on the transmission system change, the revised fees will be included in the overall transportation rate charged to customers.

100% of the increase in transportation fees incurred to move the gas from the city gate to the customer's facility is to accrue to the benefit of TXU Gas Distribution.

Rate Schedule No. 4314 is closed to new customers as of the effective date of this tariff. Current customers taking service pursuant to this tariff will no longer be eligible for this service upon contract termination. Current customers may convert their existing contract to new Rate Schedule No. 4321. When the final contract subject to Rate Schedule No. 4314 expires or is terminated, Rate Schedule No. 4314 will be cancelled.

APPLICABLE RATE SCHEDULES:**Rate Adjustment Provisions:**

4308-2 Tax Adjustment

4308-4 Surcharges

RATE SCHEDULE:	Industrial Sales & Transportation	No. 4321
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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INDUSTRIAL SALES AND TRANSPORTATION**Monthly Rates:**

Customer Charge (Minimum Bill) \$200.00 per meter

Btu transported per month	Rate/MMBtu
First 600 MMBtu	\$0.4177
Next 650 MMBtu	\$0.2765
Next 48,750 MMBtu	\$0.2185
Over 50,000 MMBtu	\$0.1372

Availability:

These rates are available to gas customers who elect to take service under the terms and conditions of the Optional Industrial Gas Sales or Gas Transportation Contract and all schedules applicable to the service selected.

Adjustment for Gas Cost:

Each industrial sales customer's monthly bill shall be adjusted for gas cost as follows:

The city gate rate referenced in Rate Schedule 4308-1 less all approved charges in excess of the commodity cost of gas, as adjusted from time to time.

APPLICABLE RATE SCHEDULES:**Rate Adjustment Provisions**

4308-1 Gas Cost Adjustment
 4308-2 Tax Adjustment
 4308-4 Surcharges

RATE SCHEDULE:	Gas Cost Adjustment	No. 4308-1
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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GAS COST ADJUSTMENT

Each monthly bill shall be adjusted for gas cost as follows:

- (1) The city gate rate increase or decrease applicable to current billing month sales shall be calculated to the nearest \$0.0001 per Mcf based upon:
 - (a) A volume factor of 1.0117 determined in establishing the above rate for the distribution system as the ratio of adjusted purchased volumes divided by adjusted sales volumes. Said factor shall be adjusted annually following determination of the actual lost and unaccounted for gas percentage based upon year ended June 30.
 - (b) The city gate rate applicable to volumes purchased during the current calendar month, expressed to the nearest \$0.0001 per Mcf (shown below as "Re").
 - (c) A base city gate rate of \$0.0000 per Mcf.

In summary, the gas cost adjustment (GCA) shall be determined to the nearest \$0.0001 per Mcf as follows:

$$\text{GCA} = ((1.0117) (\text{Re} - \$0.0000))$$

RATE SCHEDULE:	Tax Adjustment	No. 4308-2
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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TAX ADJUSTMENT

Each monthly bill, as adjusted above, shall be adjusted for municipal franchise fees (street and alley rental taxes) and the state gross receipts taxes imposed by Sections 182.021 - 182.025 of the Texas Tax Code. Municipal franchise fees are determined by each city's franchise ordinance.

Each monthly bill, as adjusted above shall also be adjusted by an amount equivalent to the proportionate part of any new tax, or any tax increase or decrease, or any increase or decrease of any other governmental imposition, rental fee, or charge (except state, county, city and special district ad valorem taxes and taxes on net income) levied, assessed or imposed subsequent to December 31, 2000, upon or allocated to the Company's distribution operations, by any new or amended law, ordinance or contract.

Municipal franchise fees (street and alley rental taxes) and the state gross receipts taxes imposed by Sections 182.021 - 182.025 of the Texas Tax Code shall continue to be collected pursuant to individual industrial contracts.

RATE SCHEDULE:	Weather Normalization Adjustment	No. 4308-3
APPLICABLE TO:	South Region Distribution System	REVISION: 0 DATE:
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WEATHER NORMALIZATION ADJUSTMENT

Effective with bills rendered during the October 2001 through May 2002 billing months, and annually thereafter for the October through May billing months, the residential and commercial consumption rates for gas service, as adjusted, shall be subject to a weather normalization adjustment each billing cycle to reflect the impact of variations in the actual heating degree days during the period included in the billing cycle from the normal level of heating degree days during the period included in the billing cycle. The weather normalization adjustment will be implemented on a per Mcf basis and will be applicable to the heating load of each customer during the period included in the billing cycle. It will be determined separately for residential and commercial customers based on heating degree data recorded at the official weather station for each town. The adjustment to be made for each billing cycle will be calculated according to the following formula:

$$WNA = \frac{NDD - ADD}{ADD} \times M \times AHL$$

Where: WNA = Weather normalization adjustment
 NDD = Normal heating degree days during the period covered by the billing cycle
 ADD = Actual heating degree days during the period covered by the billing cycle
 M = Weighted average margin per Mcf included in the commodity portion of the rates effective during the October through May billing months
 AHL = Actual heating load per customer

The heating load to which the weather normalization adjustment is to be applied for residential and commercial customers is determined by subtracting the base load for the customer from the total volume being billed to the customer. The base load of a customer is the average level of nonheating consumption.

The weather normalization adjustment is subject to a 50% limitation factor based on temperatures being fifty percent warmer or colder than normal. The weather normalization adjustment will be calculated to the nearest \$.0001 per Mcf.

RIDER:	Surcharges	NO. 4308-4
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SURCHARGES**Rate Case Expense Surcharge:**

Rate case expenses will be recovered through a surcharge designed for a six-month nominal recovery period. The surcharge per Mcf will be calculated by dividing the rate case expense to be recovered by one-half of the adjusted annual sales volume to residential, commercial, Industrial Sales, and Industrial Transportation customers.

Other Surcharges:

TXU Gas Distribution will recover other surcharges as authorized by the relevant municipality, the Railroad Commission of Texas or the Texas Utilities Code.

RATE SCHEDULE:	Miscellaneous Service Charges	Nos. 9001 thru 9007
APPLICABLE TO:	As Referenced	REVISION: 0
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MISCELLANEOUS SERVICE CHARGES:**9001 Connection Charge (Residential & Commercial)**

The following connection charges apply:

<u>Schedule</u>	<u>Charge</u>
Business Hours	\$ 35.00
After Hours	52.50

For each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:

- (a) For a builder who uses gas temporarily during construction or for display purposes.
- (b) Whenever gas service has been temporarily interrupted because of system outage or service work done by Company; or
- (c) For any reason deemed necessary for company operations.

9002 Read For Change Charge (Residential & Commercial)

A read for change charge of \$12.00 is made when it is necessary for a company employee to read the meter at a currently served location because of a change in the billable party.

9003 Returned Check Charges (Residential & Commercial)

A returned check handling charge of \$16.25 is made for each check returned to the Company for any reason.

9004 Delinquent Notification Charge (Residential & Commercial)

A charge of \$4.75 shall be made for each trip by a Company employee to a customer's residence or place of business when there is an amount owed to the Company that is past due. This charge shall not be made when the trip is required for safety investigations or when gas service has been temporarily interrupted because of system outage or service work done by Company.

9005 Main Line Extension Rate (Residential & Commercial)

The charge for extending mains beyond the limit established by Franchise for residential, and commercial customers shall be based on the actual cost per foot of the extension.

RATE SCHEDULE:	Miscellaneous Service Charges	Nos. 9001 thru 9007
APPLICABLE TO:	As Referenced	REVISION: 0
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**9006 Charge for Installing and Maintaining
and Excess Flow Valve**

(Residential)

A customer may request the installation of an excess flow valve on a new service line or on a service line being replaced provided that the service line will serve a single residence and operate continuously throughout the year at a pressure of not less than 10 psig. The customer will pay the actual cost incurred to install the excess flow valve. That cost will include the cost of the excess flow valve, the labor cost required to install the excess flow valve, and other associated costs. The estimated total cost to install an excess flow valve is \$50.00. This cost is based on installing the excess flow valve at the same time a service line is installed or replaced. The excess flow valve will be installed on the service line upstream of the customer's meter and as near as practical to the main.

A customer requiring maintenance, repair, or replacement of an excess flow valve will be required to pay the actual cost of locating and repairing or replacing the excess flow valve. The cost to perform this service will normally range from \$200.00 to \$2,000.00, depending on the amount of work required. This cost will be determined on an individual project basis.

This tariff is being filed in accordance with the U.S. Department of Transportation rule requiring the installation of an excess flow valve, if requested by a customer, on new or replaced service lines that operate continuously throughout the year at a pressure of not less than 10 psig and that serve a single residence. The rule further states that the customer will bear all costs of installing and maintaining the excess flow valve.

**9007 Recovery of Connection Costs Associated
with Certain Stand-By Gas Generators**

(Commercial)

Commercial customers installing stand-by gas generators to provide service in the event of an interruption in electric service in facilities where gas service is not otherwise provided will reimburse TXU Gas Distribution for the actual cost of acquiring and installing the regulator, service line, and meter required to provide gas service for the stand-by generators. Gas service provided for the stand-by generators will be billed at the applicable commercial rate.